

HOUSE BILL 655

**49TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2009**

INTRODUCED BY

Nathan P. Cote

AN ACT

RELATING TO TAXATION; CREATING THE MILITARY RETIREE RURAL  
HEALTH CARE TAX CREDIT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Income Tax Act is enacted  
to read:

"~~[NEW MATERIAL]~~ TAX CREDIT--MILITARY RETIREE RURAL HEALTH  
CARE TAX CREDIT.--

A. A taxpayer who files an individual New Mexico  
tax return, who is not a dependent of another individual, who  
is an eligible military retiree health care practitioner and  
who has provided health care services in New Mexico in a rural  
health care underserved area in a taxable year may claim a  
credit against the tax liability imposed by the Income Tax Act.  
The credit provided in this section may be referred to as the

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1 "military retiree rural health care tax credit".

2 B. The military retiree rural health care tax  
3 credit may be claimed and allowed in an amount that shall not  
4 exceed five thousand dollars (\$5,000) for all eligible  
5 physicians, osteopathic physicians, dentists, clinical  
6 psychologists, podiatrists and optometrists who qualify  
7 pursuant to the provisions of this section, except the credit  
8 shall not exceed three thousand dollars (\$3,000) for all  
9 eligible dental hygienists, physician assistants, certified  
10 nurse-midwives, certified registered nurse anesthetists,  
11 certified nurse practitioners and clinical nurse specialists.

12 C. To qualify for the military retiree rural health  
13 care tax credit, an eligible military retiree health care  
14 practitioner shall have provided health care during a taxable  
15 year for at least two thousand eighty hours at a practice site  
16 located in a rural health care underserved area. An eligible  
17 military retiree health care practitioner who provided health  
18 care services for at least one thousand forty hours but less  
19 than two thousand eighty hours at a practice site located in a  
20 rural health care underserved area during a taxable year is  
21 eligible for one-half of the credit amount.

22 D. Before an eligible military retiree health care  
23 practitioner may claim the military retiree rural health care  
24 tax credit, the practitioner shall submit an application to the  
25 department of health that describes the practitioner's clinical

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1 practice and contains additional information that the  
2 department of health may require. The department of health  
3 shall determine whether an eligible military retiree health  
4 care practitioner qualifies for the military retiree rural  
5 health care tax credit and shall issue a certificate to each  
6 qualifying eligible military retiree health care practitioner.  
7 The department of health shall provide the taxation and revenue  
8 department appropriate information for all eligible military  
9 retiree health care practitioners to whom certificates are  
10 issued.

11 E. A taxpayer claiming the credit provided by this  
12 section shall submit a copy of the certificate issued by the  
13 department of health with the taxpayer's New Mexico income tax  
14 return for the taxable year. If the amount of the credit  
15 claimed exceeds a taxpayer's tax liability for the taxable year  
16 in which the credit is being claimed, the excess may be carried  
17 forward for three consecutive taxable years.

18 F. The military retiree rural health care tax  
19 credit may be claimed in addition to the rural health care  
20 practitioner tax credit.

21 G. As used in this section:

22 (1) "eligible military retiree health care  
23 practitioner" means a military retiree receiving an honorable  
24 discharge after twenty years of service in the military who  
25 transitioned from a military occupation in medicine, dental and

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1 nursing fields into a similar civilian occupation, or a  
2 military retiree who enters the educational fields within two  
3 years of separation from the military, thus allowing the  
4 military retiree to complete any state certifications needed to  
5 comply with all state and local requirements for employment in  
6 these targeted fields:

7 (a) a certified nurse-midwife licensed  
8 by the board of nursing as a registered nurse and licensed by  
9 the public health division of the department of health to  
10 practice nurse-midwifery as a certified nurse-midwife;

11 (b) a dentist or dental hygienist  
12 licensed pursuant to the Dental Health Care Act;

13 (c) an optometrist licensed pursuant to  
14 the provisions of the Optometry Act;

15 (d) an osteopathic physician licensed  
16 pursuant to the provisions of Chapter 61, Article 10 NMSA 1978  
17 or an osteopathic physician's assistant licensed pursuant to  
18 the provisions of the Osteopathic Physicians' Assistants Act;

19 (e) a physician or physician assistant  
20 licensed pursuant to the provisions of Chapter 61, Article 6  
21 NMSA 1978;

22 (f) a podiatrist licensed pursuant to  
23 the provisions of the Podiatry Act;

24 (g) a clinical psychologist licensed  
25 pursuant to the provisions of the Professional Psychologist

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1 Act; and

2 (h) a registered nurse in advanced  
3 practice who has been prepared through additional formal  
4 education as provided in Sections 61-3-23.2 through 61-3-23.4  
5 NMSA 1978 to function beyond the scope of practice of  
6 professional registered nursing, including certified nurse  
7 practitioners, certified registered nurse anesthetists and  
8 clinical nurse specialists;

9 (2) "health care underserved area" means a  
10 geographic area or practice location in which:

11 (a) it has been determined by the  
12 department of health, through the use of indices and other  
13 standards set by the department of health, that sufficient  
14 health care services are not being provided; or

15 (b) there exists a physician shortage of  
16 fifteen percent or more, as documented in a needs assessment  
17 that has been submitted to the department of health;

18 (3) "practice site" means a private practice,  
19 public health clinic, hospital, public or private nonprofit  
20 primary care clinic or other health care service location in a  
21 health care underserved area; and

22 (4) "rural" means an area or location  
23 identified by the department of health that is within a county  
24 with a population of three hundred thousand or less as of the  
25 last federal decennial census and that is outside of an urban

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1 area."

2 Section 2. APPLICABILITY.--The provisions of this act  
3 apply to taxable years beginning on or after January 1, 2009.

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